

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the Members of Hindalco Industries Limited

Report on the audit of the standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Hindalco Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive loss (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>A. Measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress consisting of precious metals</p> <p>Refer Notes 1D (j) and 11 (d) to the standalone financial statements.</p> <p>Of the Company's ₹ 11,225 crores of inventory on hand at March 31, 2020, ₹ 3,255 crores of inventory comprised of coal, bauxite, copper concentrate and work in progress consisting of precious metals.</p> <p>This was determined a key audit matter, as the measurement of these inventory quantities lying at the Company's yards, smelters and refineries is complex and involves significant judgement and estimate resulting from measuring the surface area, dip measurement of materials in tanks/silos, etc.</p> <p>The Company uses internal and external experts, as applicable to perform volumetric surveys and assessments, basis which the quantity for these inventories is estimated.</p>	<p>Our audit procedures relating to the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress of precious metals included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls over physical count and measurement of such inventory; • Evaluation of competency and capabilities of management's experts; • Physically observing inventory measurement and count procedures carried out by management using experts, to ensure its appropriateness and completeness and performing roll back procedures; and • Obtaining and inspecting, inventory measurement and physical count results for such inventories, including assessing and evaluating the results of analysis performed by management in respect of differences between book and physical quantities. <p>Based on the above procedures performed, we did not identify any material exceptions in the measurement of inventory quantities of coal, bauxite, copper concentrate and work in progress inventories consisting of precious metals.</p>

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Key audit matters	How our audit addressed the key audit matters
<p>B. Provisions recognised and contingencies disclosed with regard to certain legal and tax matters</p> <p>Refer Notes 1D (i), 10, 21, 25 and 45 to the standalone financial statements.</p> <p>As at March 31, 2020, the Company has paid deposits under protest, recognised provisions and disclosed contingent liabilities towards various legal and tax matters. There are number of legal, direct and indirect tax cases against the Company, including environmental, mining, local and state levies, income tax holidays, availing of input tax credits, etc.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources for recognising provision and making related disclosures in the standalone financial statements.</p>	<p>Our audit procedures relating to provisions recognised and contingencies disclosed regarding certain legal and tax matters included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters; • Obtaining details of legal and tax matters, inspecting the supporting documents to evaluate management's assessment of probability of outcome and the magnitude of potential loss, and testing related to provisions and disclosures in the standalone financial statements; • Reviewing orders and other communication from regulatory authorities and management responses thereto; • Reviewing management expert's legal advice and opinion as applicable, obtained by the Company's management for evaluating certain legal matters and evaluating competence and capabilities of the experts; and • Using auditor's experts for assistance in evaluating certain significant and complex direct and indirect tax matters. <p>Based on the above procedures performed, we did not identify any material exceptions in the provision recognised and contingent liabilities disclosed in the standalone financial statements with regard to such legal and tax matters.</p>
<p>C. Accounting of derivatives and hedging transactions</p> <p>Refer Notes 1B (Q), 9, 20, and 50 to the standalone financial statements.</p> <p>Company's financial performance is significantly impacted by fluctuations in prices of aluminium, copper, gold, silver, furnace oil, coal, foreign exchange rates and interest rates. The Company takes a structured approach to the identification, quantification and hedging of such risks by using various derivatives (e.g. forwards, swaps, futures, options and embedded derivatives) in commodities and/or foreign currencies. These hedges are designated as either cash flow or fair value hedges, and in certain cases remain non-designated.</p>	<p>Our audit procedures related to accounting of derivative and hedging transactions included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls over accounting of derivative and hedging transactions; • Testing qualifying criteria for hedge accounting in accordance with Ind AS 109, including: <ul style="list-style-type: none"> √ Understanding the risk management objectives and strategies for different types of hedging programs; √ Evaluating that the hedging relationship consists only of eligible hedging instruments and hedged items; √ Using auditor's expert for assistance in verifying hedge effectiveness requirements of Ind AS 109, Financial Instruments, including the economic relationship between the hedged item and the hedging instrument.



Key audit matters	How our audit addressed the key audit matters
<p>As at March 31, 2020, the carrying value of the Company's derivatives included derivative assets amounting to ₹ 957 crores and derivative liabilities of ₹ 630 crores.</p> <p>Derivative and hedge accounting is considered a key audit matter, because of its significance to the financial statements, the volume, nature and types of hedging relationships, including complexity involved in the application of hedge accounting principles in accordance with Ind AS 109, Financial Instruments.</p>	<ul style="list-style-type: none"> • Evaluating competence and capabilities of the auditor's experts; • Testing appropriateness of hedge accounting to qualified hedge relationships, i.e., cash flow and fair value hedges; and • Testing related presentation and disclosures in the standalone financial statements. <p>Based on the above procedures performed, we did not identify any material exceptions in the amounts, presentation and disclosures made in the standalone financial statements relating to accounting of derivatives and hedging transactions.</p>
<p>D. Assessment of indication of impairment and the recoverable amount (RA) of certain Cash-Generating Units (CGUs) within the Aluminium segment</p> <p>Refer Notes 1D (a), 2 and 4 to the standalone financial statements.</p> <p>External sources of information such as changes in the market and economic environment, including the carrying amount of the net assets of the Company being more than its market capitalisation as at March 31, 2020, decline in the Aluminium metal prices, and impact of Covid-19 pandemic required Company's management to assess whether there is any indication of impairment and therefore make a formal estimate of RA of certain CGUs within Aluminium segment having carrying value of net assets of ₹ 30,290 crores as at March 31, 2020.</p> <p>Based on such indications, impairment testing was performed by the management in accordance with the requirements of Ind AS 36, Impairment of Assets. Management has calculated the RA of the CGUs using value-in-use method.</p> <p>This is a key audit matter, because of the significant carrying value of these CGUs and the estimation uncertainty in assumptions used for calculating the RA of the CGUs such as future metal prices, foreign exchange rates, discount rate, input costs and rate of growth over the estimation period.</p>	<p>Our audit procedures related to assessment of indication of impairment and RA of these CGUs included the following:</p> <ul style="list-style-type: none"> • Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount and RA of the CGUs; • Using auditor's experts for testing appropriateness of the method and model used for determining RA, mathematical accuracy of the models' calculations and evaluating reasonableness of key assumptions used in future cash flow projections such as future metal prices, foreign exchange rates, discount rate, input costs, rate of growth over the estimation period; • Evaluating competence and capabilities of the auditor's experts; • Performing sensitivity analysis over key assumptions to corroborate that RA of these CGUs is within a reasonable range, including the impact of Covid-19 pandemic assessment; and • Testing related presentation and disclosures in the standalone financial statements. <p>Based on the above procedures performed, we did not note any exceptions in the management's assessment of the indication of impairment and conclusion that the RA of these CGUs within the Aluminium segment were not lower than their respective carrying amounts as at March 31, 2020.</p>

Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is

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materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Report on other legal and regulatory requirements**
13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 14. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 21 and 45 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Notes 20 and 21 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except amount of ₹ * crore;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- * Represents figures below the rounding convention used in this report.
15. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Sumit Seth
Partner
Membership Number: 105869
UDIN: 20105869AAAAAF8901

Mumbai
June 12, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Hindalco Industries Limited on the standalone financial statements for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on Property Plant and Equipment and Note 3 on Investment Property to the standalone financial statements, are held in the name of the Company, except for the following:
- i. in respect of freehold land (Birla Copper and Muri Unit) having gross block of ₹ * crore and building (Birla Copper Units, Delhi and Mumbai) having gross block of ₹ 11 crores, the title deeds of which are held in the name of erstwhile companies, which have subsequently been amalgamated with the Company.
 - ii. in respect of freehold land (Mahan and Kathotia Units) having gross block of ₹ 31 crores, the title deeds of which are yet to be transferred in the name of the Company; and
 - iii. in respect of building (Birla Copper Units, Mumbai and Delhi) having gross block of ₹ 18 crores appearing in the fixed asset register, the title deeds for such assets amounting to ₹ 15 crores are presently not readily available with the Company.
- * Represents figures below the rounding off convention used in this report.
- ii. The physical verification of inventory, excluding stocks with third parties, have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
- We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 31 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of income tax, which have not been deposited on account of any dispute. The particulars of dues of sales tax, service tax, duty of customs, duty of excise, value added tax, and goods and services tax as at March 31, 2020, which have not been deposited on account of a dispute, are as follows:

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Name of the Statute	Nature of Dues	₹ in crores*	Period to which the amount relates	Forum where the disputes are pending
Central Sales Tax Act and Local Sales Tax (including VAT) Act	Sales Tax	32	1995-2009, 2014-2016	Assistant Commissioner/Commissioner/Deputy Commissioner/Revisionary Authorities Level/Joint Commissioner/Additional Commissioner (A)
		*	2005-2006, 2009-2011	Tribunal
		33	1986-1987, 1989-1991, 1999-2007, 2012-2013	High Court
The Central Excise Act, 1944	Excise Duty	11	2000-2003, 2008-2009, 2012-2018	Assistant Commissioner/Commissioner/Revisionary Authorities Level
		1,060	2001-2008	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Customs Act, 1962	Customs Duty	*	2004-2005	Commissioner (Appeal)
		24	2004-2005, 2009-2014, 2016-2017	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Service Tax under the Finance Act, 1994	Service Tax	97	2001-2002, 2011-2018	Assistant Commissioner/Commissioner/Revisionary Authorities Level
		329	2004-2018	Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	27	2017-2018	High Court

* Represents figures below the rounding off convention used in this Report.

- viii. According to the records of the Company examined by us, and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks, financial institutions or dues to debenture holders as at the balance sheet date. The Company does not have any loans or borrowings from Government as at the balance sheet date, therefore the provisions of Clause 3(viii) of the Order, to the extent, are not applicable to the Company.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys during the year by way of initial public offer and further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company, and the Nidhi Rules, 2014, are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them, to which Section 192 of the Act applies. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Sumit Seth

Partner

Membership Number: 105869

UDIN: 20105869AAAAAF8901

Mumbai

June 12, 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Hindalco Industries Limited on the standalone financial statements for the year ended March 31, 2020

Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Hindalco Industries Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of

internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of internal financial controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E-300009

Sumit Seth

Partner

Membership Number: 105869

UDIN: 20105869AAAAAF8901

Mumbai

June 12, 2020

